


SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE FOURTH QUARTER ENDED 31 DEC 2022

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-22 RM ' 000	31-Dec-21 RM ' 000	31-Dec-22 RM ' 000	31-Dec-21 RM ' 000
1. Revenue	98,650	34,251	186,401	173,866
2. Profit/(Loss) before tax	(32,286)	594	(34,682)	5,265
3. Net Profit/(Loss) for the financial period	(32,114)	(628)	(34,264)	2,465
4. Profit/(Loss) after tax and non-controlling interest	(29,653)	613	(31,746)	3,009
5. Basic earnings per share (Sen)	(1.78)	0.04	(1.91)	0.19
6. Net dividend per share (Sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share (RM)	0.0745	0.1027

DESTINI BERHAD ([Registration No. 200301030845 (633265-K)])



ADDITIONAL INFORMATION

FOR THE FOURTH QUARTER ENDED 31 DEC 2022

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-22 RM ' 000	31-Dec-21 RM ' 000	31-Dec-22 RM ' 000	31-Dec-21 RM ' 000
1. Profit/(Loss) from operations	(31,435)	4,486	(32,959)	10,532
2. Gross interest income	104	435	385	437
3. Gross interest expense	(851)	(3,892)	(1,723)	(5,267)



QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Dec-22 (Unaudited) RM'000	As at 31-Dec-21 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	37,785	43,162
Right of use assets	17,812	20,625
Investment in jointly control entity	-	-
Intangible Assets	71,852	71,200
Investment in quoted share	130	180
Investment in jointly control entity	-	-
Other Receivable	10,260	-
Other investments	320	320
Pre - Operating Expenditures	-	-
	<u>138,159</u>	<u>135,487</u>
CURRENT ASSETS		
Inventories	13,437	12,099
Contract assets	3,656	97,298
Trade receivables	40,508	66,170
Other receivables and deposits	47,635	74,581
Amount due from associated company	6,255	6,247
Amount due from joint venture	-	500
Tax recoverable	3,653	3,634
Deposit with licensed bank	14,611	20,578
Cash and bank balances	14,684	29,832
	<u>144,439</u>	<u>310,939</u>
TOTAL ASSETS	<u>282,598</u>	<u>446,426</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL		
	479,829	479,829
TRANSLATION RESERVE		
	(484)	4,990
RETAINED PROFITS		
	(355,463)	(323,717)
<i>Shareholders' equity</i>	<u>123,882</u>	<u>161,102</u>
NON-CONTROLLING INTEREST		
	(4,736)	(2,096)
<i>Total Equity</i>	<u>119,146</u>	<u>159,006</u>
NON-CURRENT LIABILITIES		
Lease liabilities	1,374	1,224
Bank borrowings	10,059	13,589
Long term creditor	(212)	740
	<u>11,221</u>	<u>15,553</u>
CURRENT LIABILITIES		
Contract liabilities	-	19,206
Trade payables	54,194	77,116
Other payables and accruals	68,981	56,207
Lease liabilities	1,296	1,240
Bank borrowings	4,688	90,567
Redeemable preference shares	1,396	1,532
Tax Payable	21,676	25,999
	<u>152,231</u>	<u>271,867</u>
TOTAL EQUITY AND LIABILITIES	<u>282,598</u>	<u>446,426</u>
Net assets per share attributable to owners of the parent (RM)	0.0745	0.1027
Weighted average number of ordinary shares ('000 units)	1,663,531	1,568,576
Enlarged number of ordinary shares in issue ('000 units)	1,663,531	1,663,531

1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2022 and the accompanying explanatory notes to the quarterly report.



DESTINI BERHAD ([Registration No. 200301030845 (633265-K)])

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER	INDIVIDUAL QUARTER	CUMULATIVE QUARTER	CUMULATIVE QUARTER
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-22 RM'000	31-Dec-21 RM'000	31-Dec-22 RM'000	31-Dec-21 RM'000
Revenue	98,650	34,251	186,401	173,866
Cost of sale	(80,508)	(17,649)	(130,934)	(112,846)
Gross profit	18,142	16,602	55,467	61,020
Other income	5,505	16,594	6,511	20,507
Administrative expenses	(54,520)	(27,733)	(89,560)	(63,224)
Depreciation	(562)	(977)	(5,377)	(7,771)
Profit from operations	(31,435)	4,486	(32,959)	10,532
Finance cost	(851)	(3,892)	(1,723)	(5,267)
Profit/(Loss) before tax	(32,286)	594	(34,682)	5,265
Taxation	172	(1,222)	418	(2,800)
Net profit/(Loss) for the financial period	(32,114)	(628)	(34,264)	2,465
Other comprehensive income				
- Exchange Translation differences	2,471	65	(385)	(85)
Other comprehensive income for the financial period	2,471	65	(385)	(85)
Total comprehensive income for the financial period	(29,643)	(563)	(34,649)	2,380
Net Profit/(Loss) for the financial period attributable to:				
Owners of the parent	(29,653)	613	(31,746)	3,009
Non-controlling interests	(2,461)	(1,241)	(2,518)	(544)
	(32,114)	(628)	(34,264)	2,465
Total comprehensive income/(loss) for the financial period attributable to:				
Owners of the parent	(27,182)	323	(32,277)	2,947
Non-controlling interests	(2,461)	(886)	(2,372)	(567)
	(29,643)	(563)	(34,649)	2,380
Earnings per share attributable to owners of the parent:				
- basic (Sen)	(1.78)	0.04	(1.91)	0.19
Weighted average number of ordinary shares ('000 units)	1,663,531	1,663,531	1,663,531	1,568,576
Enlarged number of ordinary shares in issue ('000 units)	1,663,531	1,663,531	1,663,531	1,663,531

1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2022**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AS AT END OF CURRENT PERIOD (Unaudited) 31-Dec-22 RM' 000	AS AT END OF PRECEDING YEAR (Audited) 31-Dec-21 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(34,264)	5,265
Adjustments for:-		
Amortization of intangible	-	1,059
Depreciation of property, plant and equipment	5,377	7,771
Depreciation of right-of-use assets	-	4,352
Derecognition arising from termination of lease agreement	-	(279)
Loss/(Gain) on disposal of property, plant & Equipment	-	(107)
Loss/(Gain) on disposal of investment in securities	-	607
Loss/(Gain) on disposal of a subsidiary	-	(14,786)
Impairment loss on trade receivable	20,089	1,718
Impairment loss on other receivable	-	425
Interest expense	1,722	5,267
Interest Income	(385)	(437)
Modification to lease agreement	-	178
Property, plant and equipment written off	-	102
Reversal of impairment of trade receivable	-	(564)
Reversal of impairment of Other receivable	-	(40)
Reversal of impairment of Intangible assets	-	(177)
Operating profit before working capital changes	(7,461)	10,354
Inventories	(1,338)	465
Receivables	25,294	(7,810)
Payable	(11,357)	(49,204)
Contract assets/liabilities	74,437	37,941
Cash used in operations	79,575	(8,254)
Tax paid	(4,323)	(2,680)
Tax refund	-	-
Net cash used in operating activities	75,252	(10,934)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	385	437
Investment in securities	-	(1,876)
Decreased/(Increase) in deposits pledged to licensed banks	5,966	(1,641)
Proceeds from disposal of property, plants and equipment	-	107
Proceeds from disposal of subsidiaries	-	4,250
Proceeds from disposal of investment in securities	-	4,526
Purchase of property, plant and equipment	2,813	(2,169)
Purchase of right-of-use-assets	-	(58)
Additional of intangible assets	-	(100)
Net cash used in investing activities	9,164	3,476
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,722)	(5,268)
Repayment of term loan	(89,409)	(1,414)
Repayment of finance lease liabilities	(458)	(4,553)
Proceeds from private placement	100	25,854
Net cash generated from financing activities	(91,489)	14,619
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD		
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	30,364	20,758
CASH AND CASH EQUIVALENTS END OF PERIOD	17,817	30,364
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:		
Cash and bank balances	14,684	29,832
Fixed deposits with licensed bank	14,611	20,578
Bank overdraft	-	(1,468)
	29,295	48,942
Deposits with licensed bank (pledge)	(11,478)	(18,578)
Cash at bank pledged with license bank	-	-
	17,817	30,364

1) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2020 and the accompanying explanatory notes to the quarterly report.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM '000	Foreign Currency Translation Reserves RM '000	Retained Profits RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
At 1 January 2021	453,975	5,200	(326,726)	132,449	(1,752)	130,697
Net profit for the financial year	-	-	3,009	3,009	(544)	2,465
Deconsolidation of subsidiaries	-	(125)	-	(125)	(77)	(202)
Exchanges translation differences for foreign operations	-	(85)	-	(85)	(23)	(108)
Total comprehensive income for the financial year	-	(210)	3,009	2,799	(644)	2,155
Transactions with owner:						
Private shares placement	25,854	-	-	25,854	-	25,854
Issuance of share by subsidiaries to non-controlling interest:	-	-	-	-	300	300
	25,854	-	-	25,854	300	26,154
At 31 December 21 (Audited)	479,829	4,990	(323,717)	161,102	(2,096)	159,006

	Share Capital RM '000	Foreign Currency Translation Reserves RM '000	Retained Profits RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
At 1 January 2022	479,829	4,990	(323,717)	161,102	(2,096)	159,006
Net profit for the financial year	-	-	(31,746)	(31,746)	(2,518)	(34,264)
Deconsolidation of subsidiaries	-	-	-	-	-	-
Exchanges translation differences for foreign operations	-	(5,474)	-	(5,474)	(122)	(5,596)
Total comprehensive income for the financial year	-	(5,474)	(31,746)	(37,220)	(2,640)	(39,860)
Transactions with owner:						
Private shares placement	-	-	-	-	-	-
Issuance of share by subsidiaries to non-controlling interest:	-	-	-	-	-	-
	-	-	-	-	-	-
At 30 December 22 (Unaudited)	479,829	(484)	(355,463)	123,882	(4,736)	119,146

A1. Significant Accounting Policies

The interim financial report is unaudited and has been prepared in compliance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2021, which were prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”). These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2021.

The financial statements of the Group have been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in compliance with MFRS, IFRS and the Companies Act, 2016 in Malaysia.

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2021 except for the adoption of the following with effect from 1 January 2022:

Amendments to MFRS 3	Reference to the Conceptual Frameworks
Amendments to MFRS 7, MFRS 9 and MFRS 139	Interest Rate, Benchmark Reform – Phase 2
MFRS 4, and MFRS 16	
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 10	Accounting Policies, Changes in Accounting Estimates and Errors

Adoption of above amendments to MFRSs did not have any significant impacts on the financial statements of the Group and of the Company.

A2. Audit Report

The annual financial statement of the Company for the year ended 31 December 2021 was reported on without qualification.

A3. Seasonal or cyclical factors

The principal business operations of the Group are not materially affected by seasonal or cyclical factors during the financial quarter.

A4. Items of unusual nature and amount

The operations and performance of the Group during the current quarter under review have not been materially affected by any seasonal or cyclical factors.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2022

A5. Material changes in estimates

There is no material change in estimates of amounts reported that will have a material effect in the financial quarter.

A6. Issuance or Repayment of Debt or Equity Securities

There is no issuance or repayment of debt or equity securities, share buybacks, share cancellations, shares held as treasury shares or resale of treasury shares in the financial quarter.

The detail movement of the issued and paid up capital and share premium reserved for the company are as follows:-

	No. of shares Issued and fully paid up ordinary shares of RM0.10 each	Share Capital	Total
	'000	RM'000	RM'000
As at 1 Jan 2022	1,663,531	479,829	479,829
Issue of ordinary shares:			
- Private placement	-	-	-
As at 31 Dec 2022	1,663,531	479,829	479,829

A7. Dividend Paid

No interim dividend has been paid or declared during the current quarter.

A8. Segmental Analysis

a) Analysis of Segmental Revenue and Result

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	98,650	34,251	186,401	173,866
- Construction	-	-	-	-
Elimination of inter-segment				
Total	98,650	34,251	186,401	173,866
Segment result				
- Services and trading	(29,653)	613	(31,246)	3,009
- Construction	-	-	-	-
Profit/(loss) after tax and NCI	(29,653)	613	(31,246)	3,009

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2022

b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 31 Dec 2022			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sales	86,891	11,759	-	98,650
Inter segment	-	-	-	-
Total	86,891	11,759	-	98,650

	Preceding Quarter			
	3 months ended 31 Dec 2021			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sales	24,509	9,742	-	34,251
Inter segment	-	-	-	-
Total	24,509	9,742	-	34,251

	Cumulative Quarter			
	12 months ended 31 Dec 2022			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sales	144,988	41,413	-	186,401
Inter segment	-	-	-	-
Total	144,988	41,413	-	186,401

	Preceding Cumulative Quarter			
	12 months ended 31 Dec 2021			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sales	124,339	49,527	-	173,866
Inter segment	-	-	-	-
Total	124,339	49,527	-	173,866

	31 Dec 2022			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	177,516	105,081	-	282,598
Segment liabilities	32,544	130,908	-	163,452
Depreciation	3,801	1,576	-	5,377
	31 Dec 2021			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	345,707	107,063	-	452,770
Segment liabilities	165,932	128,611	-	294,543
Depreciation	6,423	291	-	6,714

A9. Valuation of property, plant and equipment

There was no valuation of property plant and equipment for the financial quarter.

A10. Significant Events during the Financial Quarter

During the financial period, the following significant events took place for the Company and its subsidiaries:

1. Destini Prima Sdn Bhd (“DPSB”), a wholly-owned subsidiary of Destini, had on 20 January 2022, received 2 letter of awards from Ministry of Defence Malaysia.

First letter of award is for the extension of the existing contract to provide maintenance, repair and overhaul services and the supply of safety and survival equipment to the Royal Malaysian Air Force (“Contract 1”). The Contract 1 ceiling is estimated at RM88.0 million.

Second letter of award is to provide maintenance, repair and overhaul services and supply of component and spare parts for safety and survival equipment to the Malaysian Army Aviation (“Contract 2”). The value of Contract 2 is approximately RM0.99 million.

Both the Letter of Award 1 and Letter of Award 2 were accepted by DPSB on 20 January 2022.

2. Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 24 February 2022 accepted a contract award for the provision of tubular handing services for EnQuest Petroleum Production Malaysia Ltd (“**Contract**”). The Contract has no specific value as the contract is on a “call-out” basis whereby the work orders will be awarded at the discretion of EnQuest Petroleum Production Malaysia Ltd, based on the schedule and rates throughout the duration of the Contract.
3. On 24 March 2022, UOB Kay Hian Securities (M) Sdn Bhd announced that the Company intends to undertake a proposed diversification of the existing principal activities of the Company and its subsidiaries to include renewable energy business and related activities and subsequently approved in the EGM dated 21 June 2022.
4. M Rail Technics Sdn Bhd, a 70%-owned subsidiary of Destini, had on 23 May 2022 accepted a contract award worth RM531.39 million for the provision of Level 4 maintenance, repair and overhaul services of 35 Six Car Set Class 92 operated by Keretapi Tanah Melayu Berhad
5. Destini Berhad on 13 June 2022 delivered six multipurpose armed reconnaissance helicopters model MD530G to the Royal Malaysian Army after the completion of its Final Acceptance Test, deeming each helicopter airworthy.
6. The Company had, at its last annual general meeting (“AGM”) convened on 21 June 2022, obtained the approval from its shareholders that the Board has been authorised to issue and allot new Destini Shares at any time, at such price(s) as the Directors may, in their absolute discretion, deem fit, provided that the number of new Destini Shares to be issued does not exceed 20% of the total number of issued Shares, in accordance with the provision under Sections 75 and 76 of the Act (“General Mandate”). Such authority shall continue to be in force until the conclusion of the next AGM of the Company. Pursuant to the requirement on General Mandate as set out in the note below, the Company shall ensure at all times that the aggregate number of Shares to be issued under the aforesaid General Mandate, does not exceed 10% of the total number of issued Shares during the preceding 12 months, given that the Company had utilised the 20% General Mandate prior to 31 December 2021.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2022

On 28 October 2022, UOBKH on behalf of the Board, wishes to announce that the Board has decided to abort the Proposed Private Placement. The decision of the Board was made in order to review the Group's financial requirements and to explore other avenue of fund-raising exercises to meet its financial needs.

In relation thereto, UOBKH has on even date submitted an application to Bursa Securities to withdraw the listing application in relation to the Proposed Private Placement.

7. The proposed diversification of existing principal activities of Destini and its subsidiaries to included renewal energy and related activities was approved in EGM dated 21 June 2022.
8. On 8 September 2022 M Rail Technics Sdn Bhd, a 70% indirect subsidiary of Destini, accepted a contract award worth approximately RM163.61 million from the Ministry of Transport Malaysia, for the provision of Level 4 maintenance, repair and overhaul (“MRO”) services of 10 Electric Train Set Class 93 operated by Keretapi Tanah Melayu Berhad.
9. Destini Aviation Sdn Bhd (DASB), a wholly-owned subsidiary of Destini, had on 1 November 2022 entered into a share sale agreement with Avia Technique Limited for the disposal of 45% equity interest in Destini Avia Technique Sdn Bhd, a 50%-owned associate company of DASB, for a cash consideration of RM2,975,000

A11. Changes in Composition of the Group

There are no changes in composition of the Group for the quarter under review.

A12. Significant Events Subsequent To the Financial Quarter

Subsequent to the financial period, the following events took place for the Company and its subsidiaries:

1. DPSB had on 12 January 2023, accepted a supplementary contract from Ministry of Defence Malaysia for the increase in the Contract ceiling from RM121 million to RM181.5 million. The expiry of the Contract shall remain the same.

A13. Contingent Liabilities or Assets

Except as disclosed below, there were no material contingent liabilities or assets during the financial quarter.

	Year to Date 31-Dec -22 RM '000	Year to Date 31-Dec-21 RM '000
Performance guarantees in favour of the supplier and local authorities for the purpose of secured projects	14,611	17,709

A14. Capital Commitments

	Year to Date 31-Dec-22 RM '000	Year to Date 31-Dec-21 RM '000
Approved and contracted for:	-	-

A15. Significant related party transactions

There were no significant related party transactions incurred during the financial quarter ended 31 Dec 2022.

Part B: Explanatory Notes Pursuant to Appendix 9B of The Listing Requirements of Bursa Malaysia Securities Berhad.**B1. Review of Performance**

For its financial year period ending Dec 30, 2022 (FY2022), Destini saw a 7% year-on-year increase in revenue of RM186.40 million from RM173.87 million in FY2021. The increase in revenue was from higher business activities in all Group business segments.

Although the Group saw an increase in revenue, the Group faced higher administrative and operational expenses from the execution of its contract obligations and impairments in 2022. This has resulted to a loss after tax and non-controlling interest of RM31.75 million in FY2022 compared to a profit after tax and non-controlling interest of RM3 million in the preceding year.

B2. Review of Current Quarter against Preceding Quarter

The Group registered an increase in revenue of RM98.65 million for its fourth quarter ended December 30, 2022 (4QFY2022) from a revenue of RM28.90 million in the preceding quarter. Despite an increase in revenue, the Group saw higher administrative and operational expenses from the execution of its contract obligations and impairments which translated to a widened loss after tax and non-controlling interest of RM29.65 million in 4QFY2022 from to loss after tax and non-controlling interest of RM1.60 million in the preceding quarter.

B3. Commentary on Prospects for the Next Financial Year

After operating in volatile conditions since the COVID-19 pandemic, Destini is cautiously optimistic that operations for the next financial year would continue to hold many uncertainties as many economies shift into normalcy. Foreseeing that, The Group has taken prudent measures in 2022 to ensure business continuity and sustainably in the year 2023; one of which was the divestment of non-performing and non-core assets and the formation of joint ventures with business partners that are able to pave way to various new business opportunities while the Group continuously strengthens its four core businesses which are aviation & defence, energy, mobility and marine.

B4. Profit Forecast and Profit Guarantee

The Group did not announce any profit forecast nor profit guarantee for the current financial period.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Dec-22 RM '000	31-Dec-21 RM '000	31-Dec-22 RM '000	31-Dec-21 RM '000
Current taxation	172	(1,222)	416	(2,800)

B6. Corporate Proposals

There were no corporate proposals announced but not yet completed as at the date of this quarterly report.

B7. Group Borrowings and Debt Securities

Group borrowings are as follows:-

B7.1 Short Term Borrowings

<u>Secured</u>	31-Dec-22 RM '000	31-Dec-21 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase and Lease Payables	803	1,944
Bank Borrowing	4,518	82,034
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase and Lease Payables	233	1,389
Overdraft	430	285
Bank Borrowing	-	1,970
<i>Denominated in Chinese Renminbi (CNY):</i>		
Term Loans	-	4,275
TOTAL	5,984	91,807

B7.2 Long Term Borrowings

<u>Secured</u>	31-Dec-22 RM '000	31-Dec-21 RM '000
<i>Denominated in Ringgit Malaysia</i>		
Hire Purchase and Lease Payables	1,011	2,666
Term Loan	4,522	8,779
<i>Denominated in Singapore Dollar (SGD)</i>		
Hire Purchase and Lease Payables	264	1,454
Bank Borrowing	4,262	1,914
Total	10,059	14,813

B8. Material Litigation

As at the date of this announcement, the following litigation took place for the Company and its subsidiaries:

- 1.** Destini Shipbuilding and Engineering Sdn Bhd (“DSBE”) had been served with a Winding-up Petition and Affidavit Verifying Petition as a result of a Summary Judgment that was granted in favor of LHDN, details of which are as follows:

- i) Date of service of the Winding-up Petition and Affidavit Verifying Petition**

LHDN filed the Winding-up Petition on 15th August 2022 in Shah Alam High Court and served the same on DSBE on 29th August 2022 together with the Affidavit Verifying Petition (Suit No. BA-28-NCC-454-08/2022).

- ii) Details of the default or circumstances leading to the filing of the Winding-up Petition and the particulars under the Winding-up Petition, including the amount claimed for and the interest rate**

The Shah Alam High Court had granted a Summary Judgment Application in favour of LHDN on 15th June 2021. The Summary Judgment was allegedly for outstanding tax assessment for year of assessment 2016 and the judgment sum awarded by the Shah Alam High Court is RM6,035,736.74 with interest of 5% per annum and cost of RM4,000.00.

On 8th March 2022, DSBE was served with the Notice under Section 466 of the Companies Act 2016, for payment to be made on the outstanding judgment sum of RM6,241,959.61.

DSBE filed a Fortuna Injunction application to stop LHDN from filing a Winding-up Petition against DSBE. On 15th June 2022, the Court dismissed the Fortuna Injunction application with costs of RM2,000.00. Following the dismissal, LHDN instituted the Winding-up proceedings.

- iii) Confirmation as whether DSBE is a major subsidiary**

DSBE is not major subsidiary of the Company.

- iv) Cost of Investment in DSBE**

The Company do not have direct investment in DSBE. The Company’s investment in shipbuilding activities is made through its wholly owned subsidiary, Destini Armada Sdn Bhd. (“DASB”). The Company has made full provisions on its total investment cost in DASB totaling RM77,799,998.00 as at 31 December 2020.

- v) The financial and operational impact of the Winding-up Petition on the Group**

There is no impact on the operation of Destini Group. This is in view that the judgement sum of RM6,035,736.74 has been incorporated in the financial statements, and the financial impact from the Winding-up Petition is the loss of investment in DSBE.

- vi) The expected loss, if any, arising from the Winding-up Petition**

The Company is not expected to incur any further loss arising from the Winding-up Petition.

vii) Steps taken in respect of the Winding-up Petition

DSBE had issued a letter dated 30th September 2022 to LHDN to request for a settlement proposal. LHDN through their letter dated 2nd November 2022 has agreed for a payment schedule and DSBE is in strict compliance in making payments according to the said schedule. As a result, on 4th January 2023, the Winding-up Petition against DSBE was withdrawn.

B9. Dividends

The Board has not recommended any dividend for the financial quarter.

B10. Notes to the Statement of Comprehensive Income

	Year to date 31-Dec-22 RM '000	Year to date 31-Dec-21 RM '000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	5,377	7,771
Interest expense	1,722	5,267
Fair value adjustment on investment in securities	-	(607)

B11. Earnings Per Share

The basic earnings per share for the quarter and year to date are computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Quarter
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Attributable to owners of parent (RM'000)	(29,663)	613	(31,746)	3,009
Weighted average number of ordinary shares ('000) in issue	1,663,531	1,663,531	1,663,531	1,568,576
Basic earnings per share (Sen)	(1.78)	0.04	(1.91)	0.19

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2022

B12. Disclosure of realised and unrealised profit

	Year to Date 31-Dec -22 RM'000	Year to Date 31-Dec-21 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	(494,582)	(321,329)
<u>Less: consolidation adjustments</u>	139,119	(2,388)
Total retained profits	(355,463)	(323,717)

BY ORDER OF THE BOARD**TN HJ ABDUL RAHMAN BIN MOHAMED REJAB**
Executive Director